



## **IRISH LIFE INVESTMENT MANAGERS (ILIM)**

### ***The week that was – WEEK 03 (ending 15/01/2016)***

**"What would you attempt to do if you knew you would not fail?" - Robert Schuller**

**8% rise in disposable income of Irish households** – According to the latest figures from the Central Statistics Office, the disposable income of Irish households recorded an annualised increase of 8% in the third quarter of last year thanks to lower taxation and higher earnings. The Q2 annual rate increase was 5.5%.

**Consumer sentiment in Ireland hits new 10-year high** – The latest KBC Bank Ireland/ESRI Consumer Sentiment Index increased further in December, rising to 103.9 from 103.1 in November. This is the strongest level since January 2006, pre-financial crisis, when it measured 106.2. It's the third successive monthly gain.

**Global stock markets continue negative start to year** – World stock markets suffered a further fall of over 2% during the week despite better news on China exports. Concern about the plunge in oil prices (fell below \$30 a barrel during the week) and the state of China's economy has dominated global markets so far in 2016.

**ECB December meeting minutes show consideration of increase in asset purchases** – The minutes released of the European Central Bank Governing Council December meeting showed some members wanted an increase in the monthly spend on asset purchases and a longer extension of the programme.

**U.S. jobless claims rise** – The U.S. Labor Department reported that initial claims for state unemployment benefits increased 7,000 to a seasonally adjusted 284,000 for the week ended Jan. 9. However it was the 45th successive week that claims remained below the 300,000 mark, which is associated with strong labor markets.

**BOE keeps U.K. interest rates unchanged** – The Bank of England voted to keep interest rates unchanged at a record low 0.5%, after the rate-setting Monetary Policy Committee voted 8-1 in favour of no rise. Some analysts' expectations for a first UK interest rate rise in almost 7 years is now the start of 2017 instead of 2016.

**The Story of the week:** Let them eat cake! Britain's oldest person, Gladys Hooper, has said all she wants for her 113th birthday is to celebrate with a slice of cake and a cup of tea saying "I don't feel very different to when I was 75."

#### **DISCLOSURE:-**

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## Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 15/01)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-5.0
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-7.0
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-9.6
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	-7.9
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-10.4
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-9.9
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	-8.5
MSCI World	-7.6	13.1	26.2	7.7	0.2	-8.4
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
US	1.9	1.7	3.0	2.2	2.2	2.0
German	1.8	1.4	1.9	0.5	0.6	0.6
UK	2.0	1.9	3.0	1.9	1.9	1.7
Japan	1.0	0.7	0.7	0.3	0.2	0.2
Ireland	8.4	4.5	3.4	1.3	1.1	1.0
Italy	7.1	4.6	4.1	2.1	1.6	1.6
Greece	31.7	12.7	8.2	9.6	7.9	8.6
Portugal	13.4	6.9	6.1	2.7	2.5	2.7
Spain	5.1	5.4	4.1	1.6	1.7	1.8
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.05
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.09
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.76
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.43
<b>IPD All Property Return (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Ireland	-2.4	-2.4	3.1	12.7	40.1	20.2 (to end of Q3)
UK	14.5	8.1	2.7	10.7	17.8	9.9 (to end of Q3)
US	14.8	14.5	5.3	11.4	11.2	7.9 (to end of Q3)

\*Past performance is not a reliable guide to future performance